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Federal Communications Commission
Washington, D.C. 20554

AUG 4 1998

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AUG 24 1998

FEDERAL COMMUNICATIONS COMMISSION
OFFICE OF THE SECRETARY

ORIGINAL

The Honorable Don Nickles
United States Senate
133 Hart Senate Office Building
Washington, DC 20510

Dear Senator Nickles:

Thank you for your letter on behalf of your constituent, Mr. Carl R. Smith, regarding a fee that may be added to some consumers' telephone bills by carriers to recover their contributions to the universal service support mechanisms. On May 7, 1997, the Commission, as required by the Telecommunications Act of 1996 (1996 Act), adopted a first Report and Order to implement the Federal-State Joint Board's recommendations on universal service. The Commission established universal service support mechanisms that fulfill Congress's goal, as stated in Section 254 of the 1996 Act, of ensuring that affordable, quality telecommunications services are available to all American consumers, including those located in high cost, rural, and insular areas and low income consumers. In addition, these mechanisms implement Congress's mandate to ensure the nation's classrooms' and libraries' access to the vast array of educational resources that are accessible through the telecommunications network. These support systems also will link health care providers located in rural areas to urban medical centers so that patients living in rural America will have access, through the telecommunications network, to the same advanced diagnostic and other medical services that are available in urban communities.

In the 1996 Act, Congress stated that all telecommunications carriers that provide interstate telecommunications services must contribute on an equitable and nondiscriminatory basis to universal service. The Commission implemented this statutory provision by requiring all telecommunications carriers to contribute to the universal service support mechanisms. Neither Congress, nor the Commission, require carriers to pass this contribution on to their customers. To the contrary, carriers decide how and to what extent they recover their contributions. Carriers, however, may not mislead customers as to how they recover contributions and may only recover an equitable share from any particular customer.

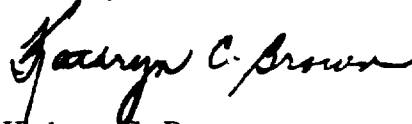
The Commission is monitoring the universal service support mechanisms and their impact on telephone ratepayers. This issue will be carefully reviewed as the support mechanisms are administered.

For Original
DATE

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Your constituent's letter has been placed in the official public record of the universal service proceeding (CC Docket No. 96-45). I appreciate your interest in these important issues.

Sincerely,

A handwritten signature in black ink, reading "Kathryn C. Brown". The signature is written in a cursive, flowing style.

Kathryn C. Brown
Chief
Common Carrier Bureau

DON NICKLES
OKLAHOMA

United States Senate
WASHINGTON, DC 20510 3502

COMMITTEES
FINANCE
ENERGY AND NATURAL
RESOURCES
BUDGET
GOVERNMENTAL AFFAIRS
RULES AND ADMINISTRATION

CCB
9645
CC-TAY
4308

May 28, 1998

Respectfully referred to

Federal Communications Commission

for such consideration as the communication herewith submitted may warrant, and for a report thereon, in duplicate to accompany return of enclosure.

By direction of

DON NICKLES
U.S. Senator

Please reply to Katie Gumerson of my staff.

SUITE 1820
100 NORTH BROADWAY
OKLAHOMA CITY, OK 73102
(405) 231-4941

3310 MID-CONTINENT TOWER
409 SOUTH BOSTON
TULSA, OK 74103-4007
(918) 581-7651

NATIONAL BANK BUILDING
601 D AVENUE, SUITE 201
LAWTON, OK 73501
(580) 357-9878

1916 LAKE ROAD
PONCA CITY, OK 74604
(580) 767-1270

March 13, 1998

Honorable Senator Don Nichols
133 Hart Senate Office Bldg
Washington, DC 20510


Dear Senator,

I need your help in determining who is responsible for the new tax that has been placed on all cellular phone customers and long distance phone service customers. I have made numerous inquiries to no avail. The phone company states that FCC has assessed them and they are passing the tax on to their customers. The tax is said to be for providing telecommunication and services to the low income and rural areas, and for schools and libraries. This tax is called the telecommunications act of 1996.

Please help me understand how the FCC can mandate that phone companies be required to pay for these services and is then allowed to pass that on to us as customers. Isn't this simply a new way of taxation through the back door?

I would request a response and any advise as to what we can do about this new tax. I would also like to say that me and my family are loyal supporters of Don Nichols and your highly ethical and moral approach to representation, keep up the good job.

Sincerely,


Carl R. Smith
500 Edgewood
Choctaw, Oklahoma 73020

- 2 Atch
1. SW Bell Explanation
2. AT&T Explanation

MEMORANDUM

DATE: January 6, 1998

TO: All Customer Contact Personnel
All Agents

FROM: LaDonna Rockow

CC: John Noelker Kay Starrett
April Oesterle Maurice Golden
Cindy King Bryan Stambeck
Jeff Horne Vivien Copelin

RE: FCC Universal Service Fund

Beginning with the February bill cycles, a \$0.55 FCC Universal Service Fund charge will be applied to each wireless phone account each month. This fund was designed by the federal government to help ensure first-class, affordable telecommunications service for all citizens across the country, especially residents in high-cost rural communities and low-income customers. For further details on this fund, refer to the attached FYI Announcement which will be distributed in the January bill cycles, as well as, the attached Customer Service Q&A. Please review both documents in their entirety in the event you receive questions from customers.

The Universal Service Fund will also apply to our prepaid customers. It has not yet been decided how the charge will be assessed. We will forward this information to you as soon as it is received.

Thanks.

Attachment #1

Account Number	Bill Date	Payment Due Date
019 969 4812 001	JAN 16, 1998	FEB 16, 1998



PIT STOP INC.
101 TRIAD VILLAGE DR
NORMAN OK 73071-2879

REF # 405 364 1466

AT&T Service

Regulatory News

In connection with the Telecommunications Act of 1996, the Federal Communications Commission (FCC) has established programs to provide telecommunications services to customers who live in rural areas, as well as low-income customers. In addition, these programs help to provide advanced services like Internet access to schools, libraries, and health care providers. Telecommunications providers, like AT&T, must contribute to these programs and are permitted to recover these contributions from customers. AT&T is notifying you that it will add a line item to your service bill beginning on or about January 26, 1998, to recover this assessment. Initially, this charge will be 4.9% of total discounted billing, excluding intrastate usage. In the future, recovery will be based on total discounted billing, including intrastate usage.

Additionally, the FCC has ordered a restructure of the access charges which companies like AT&T pay to local phone companies for access to their networks. Initially, this expense will appear as a flat charge of 53 cents. In the future, this will become a variable charge based on the number of presubscribed lines.

For more information on either of these new charges, please call 1-800-594-8505.

Attachment #2